

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 SPC-03 STR-08

TRSE-00 LAB-06 SIL-01 OMB-01 DODE-00 PM-07 H-03 L-03

NSC-10 PA-04 PRS-01 SS-20 USIA-15 INT-08 FEA-02 SCI-06

NEA-11 AEC-11 DRC-01 /195 W
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R 211720Z JAN 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6290

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

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STATE ALSO FOR T/IEP

E.O. 11652: N/A

TAGS: ENRG, EEC

SUBJECT: ENERGY: EC COMMISSION PROPOSALS ON MISCELLANEOUS
ENERGY MEASURES

REF: EC BRUSSELS 0210

1. THE TEXTS HAVE NOW BEEN PUBLISHED OF FOUR OF THE FIVE MEASURES

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WHICH THE COMMISSION HAS SUBMITTED TO THE COUNCIL AND WHICH WERE

LISTED IN PARAGRAPH THREE OF REFTEL. (COPIES ARE BEING POUCHED TO EUR/RPE AND T/IEP.) THE TEXTS CONTAIN COMMISSION PROPOSALS ON AUTOMATIC LICENSES FOR INTRA-COMMUNITY AND THIRD COUNTRY SHIPMENTS OF CRUDE OIL AND REFINED PRODUCTS, AND RECOMMENDATIONS ON VOLUNTARY AND MANDATORY CONSERVATION MEASURES.

2. THE FIFTH MEASURE LISTED IN REFTEL--WHICH WOULD REQUIRE REPORTS TO THE COMMISSION ON IMPORTS OF CRUDE OIL AND REFINED PRODUCTS BY THE MEMBER STATE GOVERNMENTS--HAS NOW BEEN REDRAFTED AND COMBINED WITH THE FINAL MEASURE (DISCUSSED IN PARAGRAPH FOUR OF REFTEL) WHICH DEALS WITH THE SURVEILLANCE OF PETROLEUM PRICES. THIS FINAL PROPOSAL WAS ADOPTED BY THE COMMISSION AT ITS MEETING AT STRASBOURG ON JANUARY 16 AND HAS BEEN FORWARDED TO THE COUNCIL. THE COMMISSION HOPES THAT THE COUNCIL WILL ADOPT IT AT ITS FEBRUARY 4-5 MEETING, OR POSSIBLY EVEN AT THE JANUARY 30 COUNCIL MEETING (WHICH, HOWEVER, IS SCHEDULED TO DEAL ONLY WITH REGIONAL POLICY).

3. ACCORDING TO A PRESS RELEASE JUST ISSUED BY THE COMMISSION, THE PROPOSED REGULATION WOULD REQUIRE THE MEMBER STATES TO COMMUNICATE TO THE COMMISSION EACH MONTH ON A CONFIDENTIAL BASIS THE QUANTITY OF IMPORTS OF CRUDE OIL AND REFINED PRODUCTS BY VALUE, BY COUNTRY OF ORIGIN AND BY COMPANY. THE SAME REGULATION WOULD REQUIRE REFINERIES TO PUBLISH AND FORWARD TO THE MEMBER STATES IN WHICH THEY ARE LOCATED THEIR PRICES, BEFORE TAXES, ON REFINED PRODUCTS AS WELL AS ANY MODIFICATION OF THOSE PRICES. THE REGULATION WOULD ALSO REQUIRE THAT REFINERIES NOT SELL AT HIGHER PRICES THAN THOSE PUBLISHED AND FORWARDED TO MEMBER STATE GOVERNMENTS IN ORDER TO AVOID MARKET DISTORTIONS. THE PRESS RELEASE CONCLUDES THAT IF IT APPEARS THAT EXAGGERATED PRICES OR SPECULATIVE SHIPMENTS OF PETROLEUM PRODUCTS ARE ENDANGERING THE EQUILIBRIUM OF THE MARKET IN THE COMMUNITY, THE COUNCIL WILL TAKE APPROPRIATE MEASURES UPON THE ADVICE OF THE COMMISSION.

4. ACCORDING TO A COMMISSION SOURCE, THE PROPOSAL WAS REDRAFTED TO REQUIRE SURVEILLANCE OF REFINERY PRICES RATHER THAN THE SETTING OF REFINERY PRICES BY THE COMMISSION BECAUSE IT WAS REALIZED THAT THE COMMISSION WOULD HAVE DIFFICULTY IN AGREEING ON THE PRICES TO BE SET AND BECAUSE THERE IS NOT UNDUE VARIATION BETWEEN REFINERY PRICES WITHIN THE COMMUNITY. IT IS ALSO FELT LIMITED OFFICIAL USE

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THAT THE PROPOSED REGULATION ACCOMPLISHES THE DESIRED RESULT, WHICH IS TO AVOID DISCRIMINATION AMONG COMMUNITY CUSTOMERS. GREENWALD

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